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SUBJECT: DESPITE DELAYS, QUITO HOPES TO COMPLETE ROAD TO NEW AIRPORT
BY AUGUST 2010

REFTEL: Quito 70

11. (SBU) Summary: Representatives from Quito's municipal government told EconOff on March 31 that, despite delays, they still hoped to complete a road to Quito's new airport in time for the airport's scheduled inauguration on August 10, 2010. The representatives detailed progress in securing land and financing for the project, but said that challenges in building bridges for the new road had led to delays in awarding a construction contract. The representatives will meet with construction companies in the U.S. in April 2009 and hope to award a contract and begin construction by August 2009. End summary.

Importance of the New Airport Access Road

12. (U) On March 31st, EconOff met with representatives from Corpaq, the municipal entity that manages Quito's current airport and the construction of Quito's new airport, along with a representative from the Empresa Municipal de Movilidad y Obras Publicas (EMMOP-Q), the city's public works agency. The representatives provided an update on efforts to build a road to Quito's new airport, which is currently under construction on the outskirts of Quito (reftel). The airport is scheduled to become operational in October 2010, but there is an inaugural flight ceremony scheduled for August 10, 2010. The city representatives said they hoped to complete the new road in time for this event. The existing road to the new airport takes a minimum of 45 minutes from downtown Quito, and much longer with traffic. The city plans to build a new access road that officials say will cut the travel time to 15 minutes. Airport officials acknowledge that the existing road is inadequate for the anticipated traffic to the new airport, and they are concerned about a public backlash if travelers experience lengthy delays and missed flights due to traffic problems.

13. (SBU) Although the new airport project is currently on schedule, the access road is not part of that concession. The road is instead the responsibility of the municipality of Quito. City representatives told EconOff that they had all but finished securing financing for the road project with a \$120 million loan from the Andean Development Corporation (CAF), which they said would cover the entire cost of the project. The representatives said they had also nearly finished acquisition of the land for the new road. They acknowledged that some details about the size of the indemnification payments to landholders had to be resolved, but they suggested that the city has a strong legal capacity for expropriating land, and this would not impede their ability to start construction.

Bridges Pose an Engineering Challenge

14. (SBU) The biggest remaining challenge to the road project is the construction of two bridges along the new route. The bridges cross over high river gorges, and pose unusual engineering challenges due to the mountainous terrain. The city solicited bids from contractors in Fall 2008, but found that, despite receiving bids from companies in Colombia, Brazil, and France, none of the interested companies had experience with this kind of project. The representatives say they have since learned of a bridge being built in Nevada near the Hoover Dam that closely matches the requirements of the airport road. The Ecuadorian Embassy in Washington has made arrangements for city representatives to travel to the U.S. in April 2009 to meet with representatives from the Nevada project. Embassy FCS staff are identifying other U.S. construction companies for them to meet during this trip as well.

15. (SBU) The representatives expressed hope that new technologies and engineering methods being used in the U.S. would allow them to complete the road project on time. They did not appear to be naive about the challenges faced in meeting their target date, however. The current timeline is to solicit new construction bids in April 2009, and to award a contract and begin construction by August 2009.

When questioned by EconOff about the likelihood of actually completing a project of this scope and complexity in twelve months, the representatives replied "August 2010 is a goal, not a deadline."

The representatives said that they would consider all appropriate bids, even if they did not fit within the desired twelve-month timeframe. In previous conversations, representatives from the new airport have suggested that they might delay the airport's opening if the road was not completed on time. The city representatives were dismissive of this possibility, however, expressing full confidence that the airport would open on time. The representatives

said that if the new road was not ready, then travelers would simply have to adjust their plans to allow extra travel time.

Comment

16. (SBU) The Embassy believes that it is unlikely that the municipality will complete the new road by August 2010. If the new airport opens with only the existing road in place, it will likely lead to negative press coverage and public complaints. But that could be mitigated if the municipality can point to a largely completed new road that would not only provide access to the airport but could relieve some congestion on the existing road. Since for technical and political reasons it does not appear possible to keep the old airport open after the new airport is operational, it appears that travelers to and from downtown Quito will have to tolerate the difficult existing route until the new access road is completed.

Hodges